

# Chapter 3

## HUMAN RESOURCE AND OTHER ORGANISATION MANAGEMENT



Merafong City  
Annual Report 2008/2009

# HUMAN RESOURCES AND OTHER ORGANISATIONAL MANAGEMENT

The section forms part of the Chief Operating Officer and provide professional support service that is well-aligned to the Integrated Development Plan (IDP) as well as to the needs of the municipality's stakeholders and customers.

The main objectives include:

- Development and implementation of an Integrated Human Resources Strategy
- Design and implementation of an organizational structure aligned to the municipality's IDP
- Formulation and implementation of human resources programmes that are consistent with the IDP
- Training and development of employees and councillors
- Implementation of the HIV/AIDS in the workplace strategy and employee wellness programmes
- Motivation of employees and implementation of change management programmes
- Development and implementation of retention and talent management strategies
- Maintenance of a labour relations environment that is conducive to promotion of organizational stability and harmony
- Facilitation of an employer – employee relationship to resolve disputes and to create a culture of healthy interactions and tolerance
- Provision of management support and leadership on pertinent issues; and
- Implementation of the Task Job Evaluation System.

The organizational structure was subject of a review process, based on the annual IDP. The new structure will streamline activities and align them with the new focus area of the municipality brought about by the new powers and functions derived from the Section 12 notice promulgated by the MEC for the Developmental Local Government and Housing of the North West, in terms of the Municipal Structures Act.

The following municipal functions were relocated to other spheres of government.

- Primary Health Care became a North West Developmental Local Government and Housing competency
- Municipal Health became a Southern District Municipal competency
- Emergency Management Services (EMS) became a North West Developmental of Health competency
- A service level agreement was entered with Dr Kenneth Kaunda District Municipality on the rendering of Fire fighting services by Merafong City.

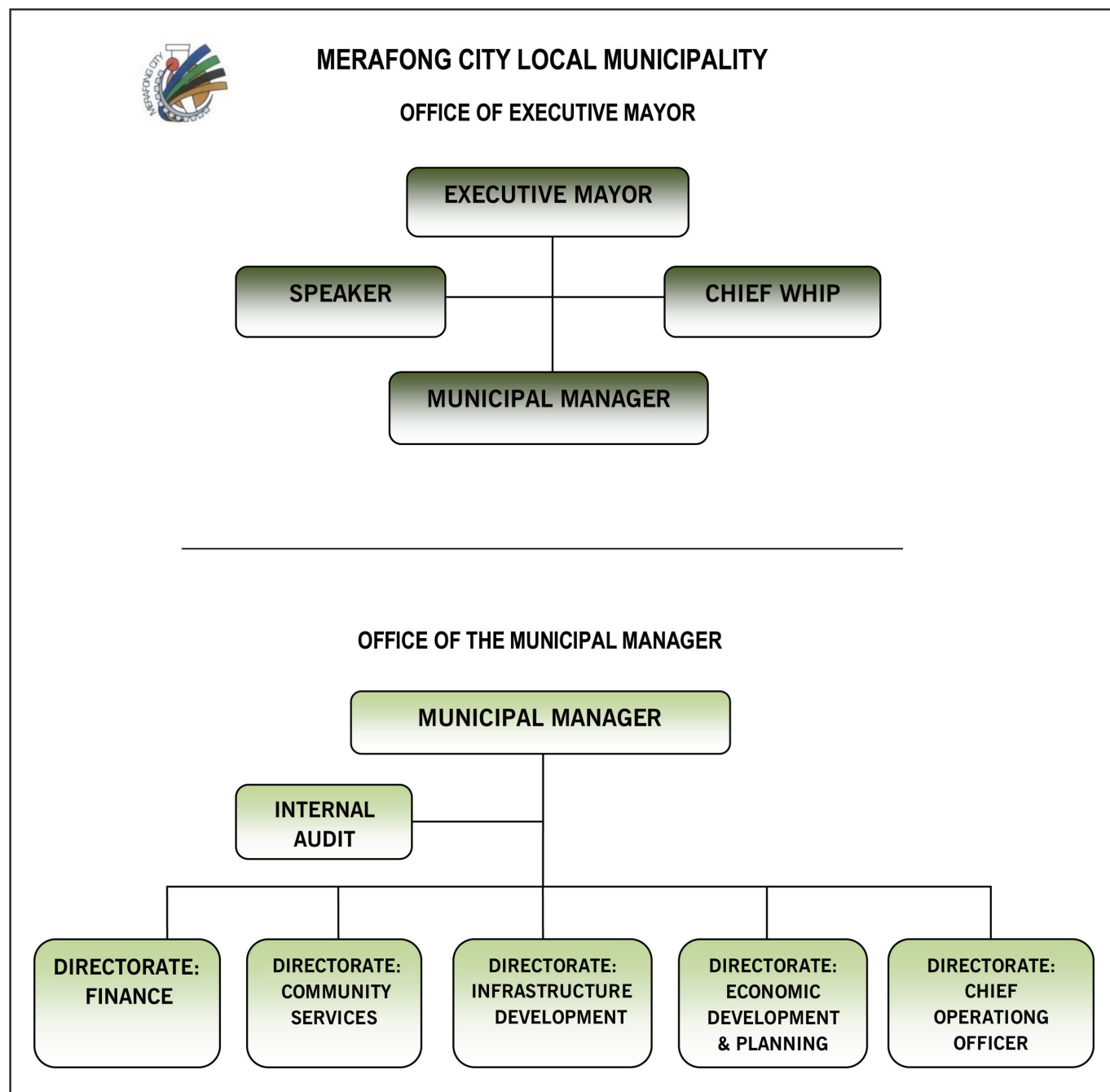
## ORGANISATIONAL STRUCTURE

The municipality's organizational structure consists of two major sections. One section accommodates the political component which is linked to the administrative component. The Executive Mayor is the elected political leader and operates within a framework of legislative guidelines and functions delegated by the Municipal Council. The Municipal Manager derives authority out of legislative requirements, delegations and is the accounting officer of the municipality.

The political section provides direction on policies and the powers and functions as determined by the constitution and promulgated in the establishment notices of the municipality. The broader goals and objectives are therefore captured in the organizational design in order to implement and give effect to the organizational objectives in executing the powers and functions entrusted with it.

The high level or macro design of the organization was derived at after thorough analyses on extensive workshops by using scientific technical supported methodology and models. Following the municipal election, strategic workshops were conducted, in order to align the structure with new mandates and policy directions emanating from the new elected leadership.

The top structure of the municipality manifested as follows:



## SECTIONAL PROGRAMMES

### Employment Equity

An Employment Equity Manager was appointed in terms of Section 24 of the Employment Equity Act. This manager oversees the unfolding of the municipality's employment equity programme. Employment Equity consists out of an Employment Equity Plan – containing employment equity targets and annual statistical returns.

The Employment Equity Manager is supported by the Employment Equity Consultative Forum. This manager is also involved in the recruitment processes of the municipality. This involvement starts with the short listing process and ends in the interview and appointment processes.

### Capacity building

The annually prepared Workplace Skills Development Plan (WSP) and Annual Training Report guide the training activities of the municipality.

Training needs were identified and training was addressed by the Skills Development office, which arranged appropriate training courses. The office is also assisted by the Technical Training Committee which convenes monthly and represents sectional needs in all meetings. The process was supported by personal career planning of both Councillors and officials. A bursary policy and grants was commissioned to stimulate individual learning at accredited institutions.

The training budget for the period was R1,000,000 of which R277,000 was claimed back from LGSETA.

### Policy development

Policy development and review was an ongoing process. Statutory policies as well as other human resource related policies are continuously developed and existing policies reviewed.

The following policies were reviewed or developed during the period under review:

Table 3.1

TYPE		POLICY TITLE	Available at municipality	TYPE		POLICY TITLE	Available at municipality
1	HR	Approval of Organizational Structure	✓	12	HR	Temporary Workers Policy	✓
2	HR	Recruitment & Selection	✓	13	HR	Internship Policy/Learnership	✓
3	HR	Appointment Policy	✓	14	HR	Bursary Policy	✓
4	HR	Placement Policy	✓	15	HR	HIV/AIDS Policy	✓
5	HR	Remuneration Policy	✓	16	HR	Subsistence & Traveling Policy	✓
6	HR	Retrenchment Policy	✓	17	HR	Secondment Policy	✓
7	HR	Performance Management Policy	✓	18	HR	Code of Ethics Policy	✓
8	HR	Condition of Service Policy	✓	19	HR	Bereavement Policy	✓
9	HR	Grievance Procedure Policy	✓	20	HR	Abscondment Policy	✓
10	HR	Disciplinary Procedure Policy	✓	21	HR	EAP Policy	✓
11	HR	Induction & Orientation Policy	✓				



## Performance, Transformation and Institutional Development

This part covers municipal performance and governance, municipal transformation and institutional development.

Merafong City Local Municipality developed a “From turn around to consolidation” strategy. The implementation of the objectives and goals of this strategy contain specific goals and objectives. These objectives are measured and progress reported on a monthly and quarterly basis. Strategy’s objectives are in line with the organizational objectives and aligned with Individual Performance Contracts of senior employees. A situation of “what gets measured, get done” was implemented and maintained.

The process is therefore aligned through the following steps:

- Organizational objectives as included in the IDP – Organizational Performance Management
- Individual Performance Management Agreements aligned with the organizational objectives – coupled on a reward system
- Job descriptions include the objectives as derived through the above processes

A performance appraisal system coupled on a reward system for all other employees is outstanding and will be developed and implemented.

Organizational transformation was achieved through strategically workshops that evaluated and analyzed practiced strategies, functions and procedures. The new powers and functions as promulgated – impacted by political directions – were included in the new organizational design and IDP processes.

The employment equity profile also transformed as indicated in the table below. A course for concern was the equity distribution of the top management structure. This distribution will be a focus area in future employment equity targets.

### Total staff complements

This part provides information on the total number of staff and their breakdown per key functions.

The adjusted municipal staff structure was changed as indicated in the table below. The table indicates the distribution between functional departments within the municipality. The column under the heading “new” indicate the total complement on the 2008/2009 structure and “old” the original approved structure that was applicable during the previous year. This structure will be reviewed for the next five year cycle.

### Professional Skills & Population of the Organizational Structure

The table underneath indicate the population of the top portion of organizational structure as on 30 June 2009. It also provides information on the broader educational levels of the first seven remuneration levels. Skills audits are conducted on an annual basis. The employment equity profile also transformed as indicated in the table below.

Table 3.2 Assessment of staffing capacity

Level	Total Posts approved			Total filled posts	Total vacant posts	Tertiary qualification > NQL 5	Grade 12 NQL4	Below Gr 12 < NQL4 Artisan
	Total	Funded posts	Unfunded posts					
Total Sec 57	6	6	0	6		5	1	
Total Managers	25	25		25		25		
Total Top Management & Sec 57's	32	32	3%	31	1	31		
Total Level 4	36	25	11	25	11	25		
Total Level 5	40	36	4	36	4	30	6	
Total Level 6	38	22	16	22	13	11	1	10
Total Level 7	74	36	38	32	41	8	7	17

The organizational design focused on a planning cycle of five years. Because of the implementing of the envisaged service delivery programmes and budget constraints the structure will only be fully populated if all the functions are performed and the operational income of the municipality increase accordingly.

*Table 3.3 Educational Qualifications of Top Management*

Name of Manager	Designation	Qualification	Management Experience
Mr. J.M. Rabodila	Municipal Manager	- Senior Certificate - BA Law & MBA	Private sector: 3 years Government: 8 years Local Government: 3 years
Mr. E.M. Leseane	Chief Operating Officer	- Senior Certificate - Bachelor of Arts - Postgraduate Diploma in Management	Government: 13 years Local Government: 2 year
Mr. M.G. Wienekus	Chief Financial Officer	- Senior Certificate	Local Government: 16 years Banking: 10 years
Mr. C.W.A. Nieuwoudt	Executive Director: Economic Development & Planning	- Senior Certificate - National Diploma in Public Health - B. Admin	Local Government: 27 years
Mr. L.C. Spies	Executive Director: Infrastructure Development	- Senior Certificate - National Diploma Electrical Engineering with GCC Electrical Engineer - Professional Registration Engineering Council of South Africa	Local Government: 30 years
Ms. N.E. Mokgethi	Executive Director: Community Services	- Senior Certificate - Diploma Nursing Science - BA Nursing Science - Masters of Arts in Nursing Science	Local Government: 18 years

It is eminent that the remuneration packages of the municipal manager, managers reporting to him and that of bargaining council managers needs to be reviewed in order to close the disparities and retain the competent staff.

The municipality also finds it extremely hard to obtain and retain artisans in mainly the electrical and plumbing professions. It is clear that the Bargaining Council salary scale system do not provide for enough leverage to be competitive in recruiting and retaining artisans. Private companies operating in the area are paying up to R20,000 bonuses to successful applicants upon taking up employment. An intensive training programme for these scarce skills is in place an allocation has been received from LGSETA to implement learner ship programmes to address to scarce skills identified. These learner ship programmes have been included in the IDP 2009/2010 implemented with effective date been 1 January 2010.

*Table 3.4 Summary: Employee qualification profile data as at 30 June 2009*

Total number of employees with an NQF Level 1 and below	282
Employees with an NQF Level 1 and below as a % of total employees	20.80%
Total number of employees with an NQF Level 2, 3 and 4	455
Employees with an NQF Level 2, 3 and 4 as a % of total employees	33.55%
Total number of employees with an NQF Level 5 and above	384
Employees with an NQF Level 5 and above as a % of total employees	28.32%
Total employees in SOC 100 and 200 with an NQF Level 6 and above	40
Employees in SOC 100 and 200 with an NQF Level 6 and above as a % of total employees in those categories	45.98%
Total employees in SOC 300 with an NQF Level 5 and above	35
Employees in SOC 300 with an NQF Level 5 and above as a % of total employees in those categories	100%

## Pension funds and Medical aids

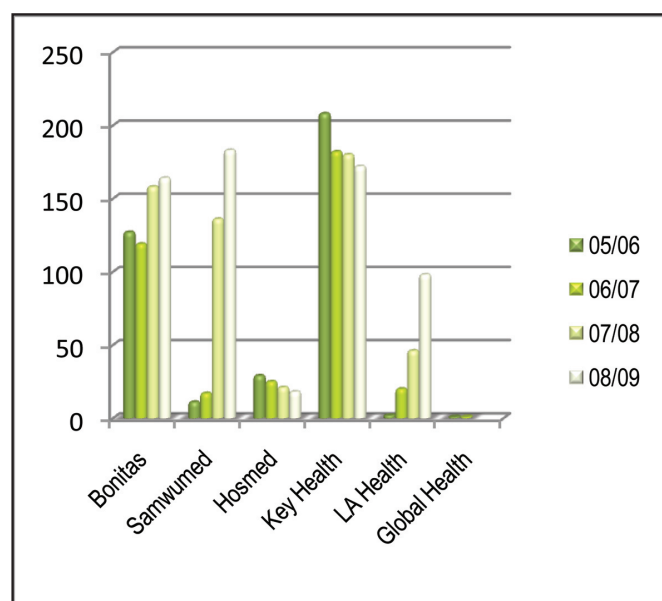
This section contains available information on the following:-

- a) Medical aid funds
- b) The number, name and any financial information on pension
- C Including an assessment of future risks or liabilities with regard to these funds.

Table 3.5 Medical Aids

MEDICAL AIDS									
PERSONNEL (Members)					COUNCILLORS (Members)				
Medical Fund	2005/ 2006	2006/ 2007	2007/ 2008	2008/ 2009	Medical Fund	2005/ 2006	2006/ 2007	2007/ 2008	2008/ 2009
Bonitas	127	119	158	164	Bonitas	-	17	16	14
Samwumed	11	17	136	183	Samwumed	-	0	1	4
Hosmed	29	25	21	18	Hosmed	-	1	1	1
Key Health	208	182	180	172	Key Health	-	4	3	2
LA Health	2	20	46	98	LA Health	-	2	4	4
Global Health	1	1	Amalgamated with Key Health	-		-	-	-	-
<b>TOTAL</b>	<b>378</b>	<b>364</b>	<b>541</b>	<b>635</b>		<b>0</b>	<b>24</b>	<b>25</b>	<b>25</b>

PERSONNEL



COUNCILLORS

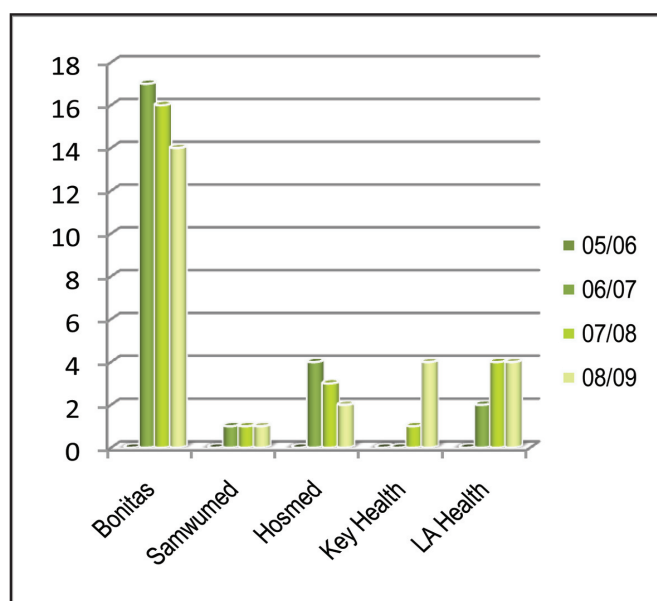


Table 3.6 Pension Funds

PENSION FUNDS				
Members				
Pension Fund	2005/2006	2006/2007	2007/2008	2008/2009
SALA	72	65	61	51
National Fund for Municipal Workers	229	257	315	367
Municipal Gratuity Fund	346	345	356	394
Municipal Employees Pension Fund	158	145	133	128
SAMWU National Provident Fund	72	71	69	66
Joint Municipal Pension Fund	8	8	8	7
Municipal Cllr Pension Fund	50	50	50	50
<b>TOTAL</b>	<b>935</b>	<b>941</b>	<b>992</b>	<b>1063</b>

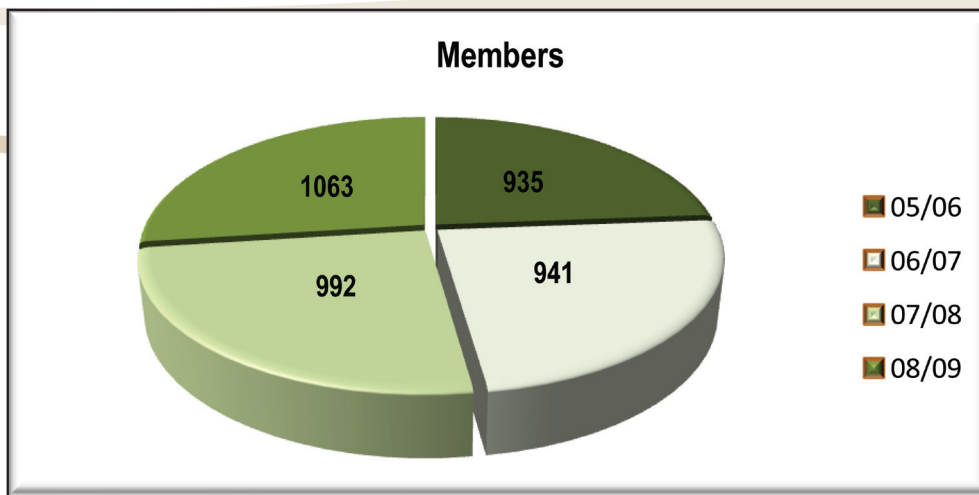


Table 3.7 Personnel expenditure

The table underneath indicates trends on total personnel expenditure over the last three years. It includes the trends on the total share of personnel expenditure compared to the total budget of the municipality.

Year	Total Personnel Expenditure	Total Operational Expenditure	% of operational budget	% increase over previous year
2005/2006	R 107 240 223	R 320 753 510	33.43%	-
2006/2007	R 123 772 001	R 374 457 831	33.05%	15.42%
2007/2008	R 152 761 047	R 487 072 542	31.36%	23.42%
2008/2009	R 171 229 952	R 567 767 321	30.16%	12.09%

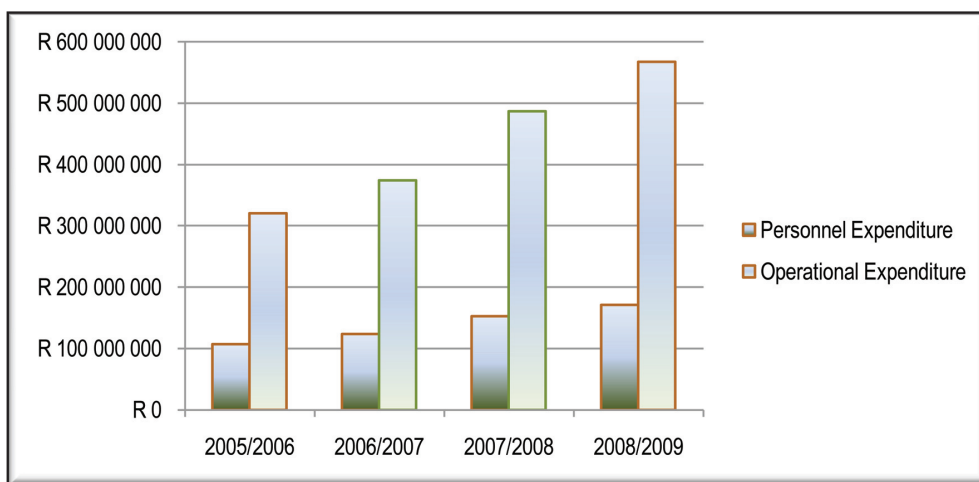


Table 3.8 Employment Equity

Occupational Categories	African		Coloured		Indian		White		Foreign Nationals	
	M	F	M	F	M	F	M	F	M	F
Legislators, senior officials and managers	13	3	-	-	1	-	14	1	-	-
Professionals	-	-	-	-	-	-	-	-	-	-
Technicians and associate professionals	22	21	1	-	-	-	27	7	-	-
Clerks	40	66	1	2	-	-	4	36	-	-
Service and sales workers	96	81	2	1	-	1	12	33	-	-
Skilled agricultural and fishery workers	-	-	-	-	-	-	-	-	-	-
Craft and related trades workers	45	-	-	-	-	-	22	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-	-
Elementary occupations	397	60	3	2	-	-	1	2	-	-
<b>Total Permanent</b>	<b>613</b>	<b>231</b>	<b>7</b>	<b>5</b>	<b>1</b>	<b>1</b>	<b>80</b>	<b>79</b>	-	-
Non-permanent employees	94	24	1	-	-	-	-	-	-	-
<b>Grand total</b>	<b>707</b>	<b>255</b>	<b>8</b>	<b>5</b>	<b>1</b>	<b>1</b>	<b>80</b>	<b>79</b>	-	-



Table 3.9 Disclosure concerning Executive Councillors: 2008/2009

Councillor	Salaries & Wages		Contributions			Allowances			Housing benefit & allow	Loans & Advances	Other benefits & allow	Arrears owed to municipality (R)
	Normal (R)	Overtime (R)	Pension	Medical Aid	Other	Travel & motor car	Accommodation	Subsistence				
Mayor	363,903	-	116,131	-	-	121,300	-	-	-	-	28,836	-
Speaker	291,122	-	53,649	40,548	-	97,040	-	-	-	-	-	-
Chief Whip	272,927	-	52,686	29,880	-	90,975	-	-	-	-	-	-
Portfolio Head: Finance	272,927	-	50,297	25,056	-	90,975	-	-	-	-	14,400	-
Portfolio Head: Corporate Support Services	272,927	-	50,297	30,984	-	90,975	-	-	-	-	14,400	-
Portfolio Head: Public Safety	272,927	-	15,147	29,676	-	90,975	-	-	-	-	14,400	-
Portfolio Head: LED & Tourism	272,927	-	50,297	20,436	-	90,975	-	-	-	-	14,400	-
Portfolio Head: Housing & Transport	272,927	-	50,297	38,736	-	90,975	-	-	-	-	14,400	-
Portfolio Head: Health & Environment	272,927	-	50,297	20,436	-	90,975	-	-	-	-	14,400	-
Portfolio Head: SRACH & LIS	272,927	-	50,297	16,224	-	90,975	-	-	-	-	14,400	-
Portfolio Head: Water, Electricity & Gas	272,927	-	50,297	22,884	-	90,975	-	-	-	-	14,400	-
<b>TOTAL</b>	<b>3,111,368</b>		<b>554,542</b>	<b>274,860</b>		<b>1,128,090</b>					<b>172,836</b>	

Table 3.10 Disclosure concerning Directors and Senior Officials: 2008/2009

Director/Senior Official	Salaries & Wages		Contributions			Allowances			Housing benefit & allow	Entertainment/ Tool allowance	Other benefits & allow	Arrears owed to municipality	Incentive
	Normal (R)	Overtime (R)	Pension	Medical Aid	Other (UIF)	Travel & motor car	2% Group	SALGBC					
Municipal Manager	506,962	0	111,532	30,959	1,497	134,763	10,139	41	53,760	0	0	0	93,462
Executive Director: Infrastructure Development	475,163	0	104,536	0	1,497	119,806	9,503	41	0	0	0	0	87,042
Executive Director: Economic Development & Planning	442,310	0	97,308	30,887	1,497	116,313	8,846	41	0	0	Bonus 13,344	0	88,818
Executive Director: Community Services	443,766	0	97,629	17,806	1,497	84,174	8,875	41	56,757	0	0	0	59,462
Chief Finance Officer	454,465	0	94,438	27,854	1,497	119,282	0	41	0	0	Bonus 12,968	0	92,371
Chief Operations Officer	469,559	0	103,083	29,736	1,497	86,940	9,371	41	11,319	0	0	0	59,462
Manager: Electrical Engineering	302,999	0	454,450	23,242	1,497	71,924	6,060	41	0	0	Entertain 2,499	0	54,445
Manager: Civil Engineering	300,289	0	54,052	14,918	1,497	71,922	6,006	41	0	0	0	0	54,445
Manager: Information Technology	364,294	0	0	30,959	1,497	39,831	7,286	41	9,800	0	0	0	43,556
Manager: PMU	263,190	0	57,902	23,219	1,123	97,574	5,263	31	9,000	0	0	0	0
Manager: Town Planning	396,576	0	0	24,822	1,497	60,952	7,932	41	0	0	0	0	59,018
Manager: Housing Administration	301,830	0	54,329	0	1,497	73,483	6,037	41	16,491	0	0	0	54,445
Manager: LED & Tourism	337,976	0	74,355	30,959	1,497	85,392	6,759	41	16,900	0	0	0	53,172
Development Advisor	358,190	0	78,802	23,219	1,123	70,638	7,164	31	0	0	0	0	0
Manager: SRACH & LIS	289,496	0	0	26,014	1,497	108,629	0	41	66,142	0	0	0	59,018

Director/Senior Official	Salaries & Wages		Contributions			Allowances			Housing benefit & allow	Entertainment/ Tool allowance	Other benefits & allow	Arrears owed to municipality	Incentive
	Normal (R)	Overtime (R)	Pension	Medical Aid	Other (UIF)	Travel & motor car	2% Group	SALGBC					
Manager: Public Safety & Security	398,892	0	87,756	12,960	1,497	120,959	7,978	41	1,362	0	0	0	75,774
Manager: Human Resources	297,508	0	61,822	23,024	1,497	56,676	0	83	10,599	Acting 256,838	2,500 Entertain	0	83,489
Manager: Income	291,415	0	0	0	1,497	105,752	0	41	55,003	0	0	0	54,445
Manager: Expenditure	286,717	0	63,078	12,262	1,497	90,113	0	41	0	0	0	0	43,556
Manager: Supply Chain Management	338,358	0	0	19,411	1,497	73,895	0	41	20,505	0	0	0	0
Manager: Credit Control	296,029	0	65,126	0	1,497	79,222	5,921	41	5,448	0	0	0	43,556
Manager: Political Support	290,180	0	63,840	0	1,497	86,474	5,804	41	5,448	0	0	0	54,445
Manager: Employment Equity	312,223	0	68,689	24,026	1,497	120,870	6,245	41	8,652	0	Rent sub 1,610	0	26,019
Manager: Waste Management	263,311	0	57,928	15,631	1,497	87,057	0	41	0	0	0	0	21,943
Manager: Water and Sanitation	312,223	0	68,689	24,882	1,497	104,499	6,244	41	8,652	0	0	0	26,019
Manager: IDP/ PMS	251,639	0	55,361	30,959	1,497	77,844	5,033	83	8,652	0	Rent sub 1,298 Bonus 20,970	0	0
Manager: Corporate Secretariat	175,541	0	38,619	0	998	65,069	3,511	28	0	0	0	0	0
Acting Manager: Industrial Relation	202,320	0	44,510	30,959	1,497	93,758	0	41	8,652	0	0	0	16,860
Acting Manager: Speaker's Office	183,204	0	40,305	28,886	1,497	36,237	3,664	41	8,652	0	Acting 89,021 Bonus 15,267	0	0
Acting Manager: Human Resources	183,204	0	40,305	25,970	1,497	83,375	3,664	41	8,652	0	Acting 89,021	0	54,445
<b>TOTAL</b>	<b>9,740,276</b>	<b>0</b>	<b>2,127,684</b>	<b>574,313</b>	<b>43,663</b>	<b>2,643,999</b>	<b>141,062</b>	<b>1,288</b>	<b>375,170</b>	<b>256,838</b>	<b>159,477</b>	<b>0</b>	<b>1,316,418</b>

Table 3.11 Arrears owed to Municipality by Councillors and Officials

Name	Councillor / Official	Amount owed (R) 2007/2008	Amount owed (R) 2008/2009
ZF Mxabano (*1)	Councillor	23,627.17	1,560.21
T Mokapela (*2)	Councillor	6,160.04	8,450.02
C Dyonase	Councillor	13,451.87	2,281.15
M Bonyo	Official	11,923.53	3,128.16
TP Gaja	Official	7,626.71	336.33
SJ Kotsi	Official	16,370.41	11,012.79
RM Matha	Official	275.89	217.39
SJ Matlala	Official	414.32	203.99
W Modiba (Ms)	Official	10,217.02	4,344.63
MM Mogalagadi	Official	1,057.65	591.33
NJ Montsho	Official	2,745.42	285.68
MM Moreki	Official	298.46	278.19
BU Ndimma	Official	4,375.21	3,423.76
MP Ndzilane	Official	2,302.02	0
LA Ngxabani	Official	1,224.66	364.52
CM Nofemele	Official	6,615.47	227.03
RP Pipadibe	Official	799.27	163.26
ND & ML Selani	Official	7,873.65	326.43
BP Sithole	Official	2,176.89	757.29
JP Solane	Official	814.75	268.00
MJ Songela	Official	1,569.33	847.54
MB Swart (Ms)	Official	6,636.42	6,034.99
ES Tenge	Official	5,558.91	163.03
M Shai	Official	4,739.80	467.62
SB Tsotsi	Official	1,064.30	783.70
<b>TOTAL</b>		<b>R139,919.17</b>	<b>R46,517.04</b>

(\*1) Cllr Z F Mxabano passed away on 29 December 2008

(\*2) Cllr T Mokapela passed away on 27 January 2009

